is owned, operated and hosted in Hong Kong. Having balanced the Vanity Fair factors, the Court concludes that extraterritorial application of the Lanham Act is inappropriate at this time.

A. Citizenship of Defendants

"[W]hen a plaintiff has sought to extend the Lanham Act to the foreign activities of foreign defendants, courts have scrutinized with care the nexus between the foreign defendant's activities within the United States and the conduct giving rise to the Lanham Act claims." Aerogroup Int'l, Inc. v. Marlboro Footworks, Ltd., 955 F. Supp. 220, 228-29 (S.D.N.Y. 1997). It is uncontested that five out of the six defendants in this case are not citizens of the United States. While in some cases it may be proper to ignore certain defendants' foreign citizenship—for instance when principal defendants are United States citizens, id. at 231—Plaintiff has not shown why the citizenship of only one of the six defendants is sufficient in this instance.

In each of the cases cited by Plaintiff in which a court applied the Lanham Act extraterritorially to a foreign defendant, other factors were present which justified treating that defendant as a U.S. citizen, such as the defendant's residence in the United States or exercise of considerable control over a U.S. corporation engaging in infringing activities. See A.V. by Versace, Inc. v. Gianni Versace S.p.A., 126 F. Supp. 2d 328, 337 (S.D.N.Y. 2001) (finding that defendant, who "resided in and [had] done business in the United States for over forty years" was a "constructive" U.S. citizen); Calvin Klein Indus., Inc. v. BFK Hong Kong, Ltd., 714 F. Supp. 78, 80 (S.D.N.Y. 1989) (finding that a foreign defendant could be treated as a U.S. citizen because he "resid[ed] in New York and was the controlling force behind" a New York corporation); A.T. Cross Co. v. Sunil Trading Corp., 467 F. Supp. 47, 50 n.5 (S.D.N.Y. 1979) (applying Lanham Act extraterritorially to foreign defendant who had resided in the U.S. for six years, because "he was in all respects acting in his capacity as an officer of a New York corporation when engaged in the purchase and sale of the counterfeit pens").

Here, however, there is no evidence that the single U.S. citizen defendant, Goldstable Corp., exercised any control over Defendants' operations, let alone the type of control that would permit the Court to ignore the foreign status of the five remaining defendants. Indeed, the only evidence in the record of Goldstable Corp.'s role in the alleged infringement is that the products sold to Plaintiff's investigators contained a registration number linked to Goldstable Corp. in a Federal Trade Commission database at an address associated with Defendant Yang. (Tarbutton Decl. ¶¶ 27-29.) Moreover, there is testimony in the record that Goldstable Corp. was not involved in the sales or marketing of the Juicy Girl brand but rather was established for another one of Defendants' apparel brands. (Deposition of John Suen 64:13-25.) The evidence of Goldstable Corp.'s role in the infringing activity thus provides no nexus between the foreign Defendants' activities in the United States and the infringing conduct. See Aerogroup, 955 F. Supp. at 228-29. This factor weighs against extraterritorial application.

B. Conflict with Foreign Law

The next Vanity Fair factor, which requires the Court to consider whether a conflict exists with trademark rights under foreign law, also weighs against extraterritorial application of the Lanham Act. The Lanham Act should not be applied extraterritorially against defendants "acting under presumably valid trade-marks in a foreign country." Vanity Fair, 234 F.2d at 643. The Second Circuit based this conclusion on "practical considerations such as the difficulty of obtaining extraterritorial enforcement of domestic law, as well as on considerations of international comity and respect for national integrity." Id. at 639. Although unresolved questions about foreign trademark law present in this case "are not sufficient by themselves to deny [plaintiff] the protections of the Lanham Act," they are "sufficient to increase this Court's caution in exercising jurisdiction over matters more appropriately left to [foreign] courts." Aerogroup, 955 F. Supp. at 231. Presumably, the outcome of the Hong Kong action will determine whether Defendants have enforceable intellectual property rights to the Juicy Girl mark in that country. Although this Court is not prevented from applying the Lanham Act extraterritorially before a decision in that action is reached, it must proceed with caution in determining whether to do so.

C. Substantial Effect on United States Commerce

Lastly, the Court considers whether Defendants' infringement has a substantial effect on United States commerce. Congress sought to limit extraterritorial application of the Lanham Act to "foreign uses that have significant trademark-impairing effect upon American commerce." Sterling Drug, Inc. v. Bayer AG, 14 F.3d 733, 746 (2d Cir. 1994) (instructing district court, on remand, to craft injunction that prohibits only those uses of mark abroad that have substantial effect on U.S. commerce).

One way in which the substantial effect on U.S. commerce prong may be met is through a showing of consumer confusion or harm to the plaintiff's reputation. See Bulova 344 U.S. at 286 (upholding extraterritorial application of the Lanham Act in part because of evidence that the defendant's goods resulted in confusion and led to a substantial effect on U.S. commerce); Gucci Am., Inc. v. Guess?, Inc., 790 F. Supp. 2d 136, 143 (S.D.N.Y. 2011) ("[A] showing of consumer confusion or harm to plaintiff's goodwill in the United States is sufficient to demonstrate a 'substantial effect on United States commerce.'"); Piccoli A/S v. Calvin Klein Jeanswear Co., 19 F. Supp. 2d 157, 170 (S.D.N.Y. 1998); cf. Atl. Richfield, 150 F.3d at 192 (finding no substantial effect citing absence of "evidence that domestic consumers have been misled or have come to view the [] mark less favorably as a result of [the] foreign activities"). Cases have also noted that "where the likelihood of consumer confusion or harm to a protected plaintiff's reputation is great, the substantial effect test has been satisfied," A.V. Versace, 126 F. Supp. at 340, although those cases have tended to rely on proof of actual confusion.

Plaintiff argues that Defendants' actions have a substantial effect on U.S. commerce because Defendants' infringement causes, and is intended to cause, confusion in the United States. With regard to the HK Website, Plaintiff asserts that the site is available in English, indicates that Juicy Girl sells its products worldwide, and includes information on international shipping costs. (Tarbutton Decl. ¶¶ 5-8.) It further relies on the evidence that the HK website is the second unpaid hit resulting from a google.com search of "Juicy Girl" to show not only the likelihood of confusion between the parties' products, but the effect of Defendants' infringement on U.S. commerce as well as Plaintiff's business. Plaintiff also notes that Defendants filed an application for registration of the trademark "Juicy Girl" with the United States Patent and Trademark Office, which required Defendants to acknowledge their "bona fide intention to use" the mark in the United States. (Elias Decl. ¶ 8; Defendants' USPTO Application ("Elias Decl. Ex. D").)

Plaintiff also argues that Defendants' U.S. sales constitute sufficient evidence of a substantial effect on U.S. commerce. It cites Fun-Damental Too, Ltd. v. Gemmy Indus. Corp., 111 F.3d 993, 1006 (2d Cir. 1997), in which the Second Circuit found that "the importation of products . . . clearly has a substantial impact on United States commerce." In Fun-Damental, a U.S. company sought to sell its products, imported from China, wholesale to a major toy and novelty retailer. Fun-Damental, 111 F.3d at 997. In this case, by contrast, the only evidence of sales to the United States totals $3,000 worth of products, a portion of which consists of the sales made to Plaintiff's investigators.

Even if Plaintiff is correct that evidence of likelihood of confusion, an intent to increase domestic activity and limited sales to the U.S. from a foreign website suffices to satisfy the substantial effects prong of the Vanity Fair test, it is insufficient to overcome Plaintiff's failure to prove that either of the remaining factors weighs in its favor.

* * *

Accordingly, balancing the Vanity Fair factors, the Court finds that extraterritorial application is inappropriate at this time. Should further discovery or other information warrant the Court's reconsideration of this issue, Plaintiff will have the opportunity to present it in connection with a motion for a permanent injunction. At the preliminary injunction stage, however, the Court concludes that the Lanham Act should not be applied extraterritorially to enjoin Defendants' activity on the HK Website, or any other websites hosted abroad.

V. Conclusion

For the foregoing reasons, Plaintiff's motion for a preliminary injunction is granted in part and denied in part. Plaintiff is directed to submit a proposed order consistent with this Opinion by March 18, 2013. Defendants shall submit any opposition to Plaintiff's proposed order by March 22, 2013. By March 18, 2013, the parties shall also submit individual letters, no longer than two pages, addressing the appropriate security to be posted by Plaintiff. See Fed. R. Civ. P. 65(c).

SO ORDERED.

Dated: March 12, 2013
New York, New York

Ronnie Abrams
United States District Judge